

Town of Milton
115 Federal St
Milton, DE 19968



www.ci.milton.de.us
Phone: 302-684-4110
Fax: 302-684-8999

**TOWN MANAGER'S
MONTHLY FINANCIAL REPORT**

For the period ending 11/30/12:

The following report is an un-audited account of finances.

Summary

General Fund expenditures in the second period of the new fiscal year were \$109,187.64 greater than revenue. This is commonly the case during periods that occur outside of property tax collection months. Revenue and expenditure events in the first periods of a fiscal year may not always be indicative of a trend, as well.

The comparison to the prior year's performance:

Type	General Fund +	General Fund -	Same Period Prior Year	Difference from Prior Year
All Revenue ytd	\$162,300.05		\$102,917.99	\$59,382.06 (more revenue than prior year)
All Expenditures ytd		\$320,017.18	\$200,269.52	\$119,747.66 (more expense than prior year)
Net change				-\$60,365.60

Revenue Highlights

The change of policy regarding the recording of grant receipts is responsible for \$25,000 of the \$59,362 revenue increase. A building permit from Dogfish Head was a significant contributor to the \$24,585 increase in building permit revenue. These two events account for 84% of the revenue change.

Expenditure Highlights

The Town of Milton operates on a bi-weekly pay schedule. Most months have two pay periods, but some have three. A significant contributor to the difference in expenditures, from one year to the next, is a comparison of a three pay period month to a two pay period month. For salaries (no overtime or salary-related taxes) the extra pay period accounted for \$29,840.25 of the difference in expenditures. The FY 2013 base wage rate increases have a nominal impact on this incremental expense category. The following is the effect upon each department, per pay: Admin - \$98.57, Code \$53.55, Public Works - \$228.77 and Police \$501.43.

Employee Insurance benefits are a shared expense (70% employer, 30% employee) and are paid monthly. The November 2011 payment was not recorded in that month, though. This accounts for \$14,083.72 of the expenditure increase of November 2012 in a year-to-year comparison with 2011.

Expenditure Highlights, continued

As with grant revenue not previously recorded in the General Fund Revenue and Expenditure Report, there are also grant expenses. The change in each category should have the effect of no net change over the course of a year. The policy of recording these transactions in the General Fund will have the effect of providing greater transparency, though. Grant related expenditures that skew the year to year comparison, this month, are for Street Lighting (\$5,548.05) and Police equipment, etc. (\$7,775.75).

Other notable increases of expenditures are: Accounting Fees (for the audit) \$6,840, a network server in the Admin Department (budgeted capital expense) \$5,815.20 and engineering for streets \$2,631.10.

A matter of timing decreased a category of insurance expenditure by \$9,069.02. This will not have the effect of any material change on the annual expenditure for that category.

Proprietary Fund

Revenue and expenditures necessary for the operation of town-owned enterprises are recorded in a separate, or proprietary, fund. Water and refuse collection services are a town-owned enterprise.

Type	Proprietary Fund +	Proprietary Fund -	Same Period Prior Year	Difference from Prior Year
All Revenue ytd	\$202,747.10		\$201,170.36	\$1,576.74 (more revenue than prior year)
All Expenditures ytd		\$110,398.33	\$88,102.05	\$22,296.28 (more expense than prior year)
Net change				-\$20,719.54

Year to date revenue from Water Rents in 2012 has increased by 6%, compared to 2011, with no increase in the rate. Expenditures have increased as a result of payroll and benefits allocation from the Admin Department. There is also \$11,777.47 in additional (budgeted) capital expenditures in the Water Department – when comparing 2012 to 2011.

Despite the negative net change in a year to year comparison of Proprietary Fund activity, the actual fund balance has increased, from \$514,561 in November 2011, to \$519,341 in November 2012. The fund balance for Water Impact Fees (reserved for capital expenditures related to system growth) has increased from \$252,888 in November 2011, to \$280,904 in November 2012.

In FY 2012 and continuing into the current fiscal year, there has been concerted effort to have meters at the point of use for every customer. The expense for pits, meters and related supplies was \$23,358 in FY 2012. The year to date expense in November 2012 (FY 2013) is \$3,609.85. The two categories have a combined budget of \$14,000 in the new fiscal year.

The installations will increase Water Rents in the coming year because of greater metering accuracy. The time at which the town has received a full “return on investment” is not known. The primary purpose of the installations, however, was to provide greater accountability for the water that has been pumped from our aquifer. This accountability is an integral part of our “mining” permit from the Delaware Division of Water Resources. Any future discussion about a progressive rate structure would be similarly motivated by state-mandated conservation goals – even if there is some revenue benefit realized by the policy.